

Budgeting for Kansas Recreation Commissions

State of Kansas
Department of Administration
Division of Accounts and Reports
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Budgeting for Kansas Recreation Commissions

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INTRODUCTION

The purpose of this manual is to provide information needed to prepare a recreation commission budget, including the pertinent laws and instructions for completing the required State budget forms.

Overview of the Budget Law

Many Kansas statutes relate to municipal budget law. The main statute, commonly called the budget law, is contained in K.S.A. 79-2925 to 79-2937. Additional Recreation Commission budget requirements are included in statute K.S.A.12-1927. The statutes are available on line at <http://www.kslegislature.org/cgi-bin/statutes/index.cgi>. Most provisions in this law apply to all Kansas municipalities. Some of the key points in the budget law are as follows:

- The Director of Accounts and Reports (A & R) prescribes the budget forms. In some respects, the budget law dictates how the budget forms should look. However, the Director of A & R has overall responsibility for the design of the budget forms. (K.S.A.79-2926)
- The budget law applies to all recreation commissions. All recreation commissions are subject to the budget law. Each recreation commission must prepare, publish, and adopt an annual budget. The budget must be certified to the City or USD Clerk and County Clerk before August 1. (K.S.A.12-1927)
- The adopted budget provides the recreation commission with expenditure authority and authorizes a tax levy to finance those expenditures. The budget serves two important purposes. First, the budget provides legal expenditure authority to the recreation commission. Second, the City or USD uses the budget to authorize a tax levy.
- All money that belongs to the recreation commission must be included in the annual budget. Money includes cash, checking accounts, savings accounts, and investments. The unencumbered cash balance at the beginning of the budget year for all funds must equal the total money.
- A separate itemized financial statement is required for each fund included in the budget. The itemized financial statement must be presented in a three-column format. One column must be presented for each of the following years: 1) Prior Budget Year; 2) Current Budget Year; and 3) Proposed Budget Year. Each column must show beginning unencumbered cash balance, receipts, expenditures, and ending unencumbered cash balance. (K.S.A.79-2927,79-2930) The Prior Budget Year will be completed at the time the budget is being prepared. This column will contain "actual" financial information. The Current Budget Year column could be "actual" for the recreation commissions using a July 1 to June 30 budget year. The Current Budget Year column will be an estimate for recreation commissions using a January 1 to December 31 budget year. The Proposed Budget Year will present proposed amounts.

- Miscellaneous category of expenditures or revenues is not to exceed ten percent. The budget for each fund shall not include any item for sundry or miscellaneous purposes in excess of 10% of the total. The budget is to include an itemized budget form for each and every fund. (K.S.A.79-2927, 79-2930)
- The governing body must give notice and conduct a public hearing for the purpose of answering taxpayer questions about the proposed budget. Before the annual budget can be certified to the City or USD Clerk and County Clerk, a public hearing on the proposed budget is required. The Notice of Budget Hearing and Budget Summary must be published at least ten days prior to the date of the hearing. (K.S.A.12-1927)
- The budget document should be certified to the City or USD Clerk and the County Clerk by August 1. The budget law requires the budget be submitted to the City or USD Clerk and County Clerk by August 1st. This allows time for the City or USD budget preparer to include information from the recreation commission adopted budget in the City or USD budget. If the recreation commission will not be able to meet the deadline, contact the City or USD clerk. (K.S.A.12-1927)
- Fund Levy Limit applies to the recreation commission levy. The fund levy limit is based on resolution passed by the City or USD. Verify the limit and request the City or USD to adopt and publish a new resolution if the limit is not adequate. See Appendix A. (K.S.A.12-1927)
- The County Clerk submits all budgets to A & R. The City or USD is required to submit their adopted budget to the County Clerk by August 25th. The County Clerk submits all budgets to A & R by December 1st. (K.S.A.79-2930)

General Steps and Timetable for Preparing Budget Document

Preparation of the annual budget starts with the conversion of financial records to Fund Page format and ends with certifying the adopted budget to the City or USD Clerk and County Clerk. The budget should be completed and submitted to the City or USD Clerk and the County Clerk by August 1st. To meet the deadline the following steps and timetable shows the last date each step should be completed.

July 1	Convert the accounting records into the Fund Page format and prepare a working draft of complete budget for governing body review
July 10	Finish budget and publish Notice of Budget Hearing and Budget Summary
July 20	Hold the hearing and adopt the budget
August 1	Certify (submit) the adopted budget to City or USD Clerk and County Clerk

Chapter 1: PREPARING BUDGET INFORMATION

This chapter covers converting the accounting records to the Fund Page format. The first step is to convert the accounting records into the format used on the budget forms. This can be done at any time after the books are closed for the year but must be completed by July 1.

Budget Worksheets

Budget worksheets can be used to convert the accounting records for the Prior Year Actual into the format needed to complete the fund sheets in the budget document if a computer printout or the annual audit is not available. Summarize each month's receipts and expenditures into the budget categories to be used in the fund sheets. See Appendix B for sample report.

The receipt categories can be determined by reviewing the Fund Page in the current budget. A typical fund will consist of the following categories:

- Appropriation from the City or USD - The amount received during the prior year from the City or USD. The City or USD should show the categories as follows:

Ad-valorem tax - Is certified to the County Clerk by the City or USD budget.

Delinquent Taxes - The amount received from previous year delinquent taxes. Delinquent taxes are those that were not paid in a timely manner.

Motor Vehicle Tax - The amount received when taxpayers register their motor vehicles. This tax is based on the value of the vehicle and the previous year's county wide average levy. (K.S.A. 79-5111)

Recreational Vehicle Tax - The amount received when taxpayers register their RVs. The tax is assessed by weight of the RV rather than the value of the RV. (K.S.A. 79-5123)

16/20 Trucks - The amount received from the taxpayers for 16/20 trucks. This tax is assessed like a motor vehicle but collected like property tax in December and June.

- Local Alcoholic Liquor Tax – The amount received from a tax levy on liquor served by the drink by clubs, caterers, and drinking establishments. All cities and counties with these businesses within their boundaries should have receipts. A portion of this money must be used for recreation programs. (K.S.A. 79-41a04)
- Fees – The amount received from participants in the various programs.

- **Other** – The amount of receipts that do not specifically fall under the other categories. If the amount exceeds ten percent of total receipts, add more categories. K.S.A. 79-2927 limits any miscellaneous category to ten percent of total receipts.
- **Interest on Idle Funds** – The amount received from interest on checking accounts, savings accounts, or investments.

The budget worksheet for expenditures should show the categories of expenditures the recreation commission plans to show on the fund sheets of the budget document. A review of the current budget will show what has been used in previous budgets. Review the categories to determine if changes are needed. Before making changes consult with other recreation commission officials to obtain approval.

Budget Worksheet

Description	January	February	November	December	Total
Unencumbered Cash Bal *					
Receipts:					
USD Appropriation					
Other					
Interest on Idle Funds					
Total Receipts					
Resources Available					
Expenditures:					
Personal Services					
Contractual					
Commodities					
Capital Outlay					
Other					
Total Expenditures					
Unencumbered Cash Bal **					

* Use January 1 or July 1

** December 31 or June 30

Prepare the budget worksheets, then go to stage 1 of the Fund Pages as discussed in the next chapter.

Chapter 2: PREPARING THE BUDGET DOCUMENT

This chapter covers the recreation commission budget set. The information covers completion of these forms. The forms that comprise the budget document will be discussed in the order in which they should be prepared. The process must be completed by July 10th.

Recreation Commission Budget Document consists of the following forms:

- Fund Page
- Statement of Conditional Lease-Purchase and Certificate of Participation
- Notice of Budget Hearing and Budget Summary
- Certificate

All recreation commissions must use the **Recreation Commission Forms**. The budget determines the expenditure limit for the recreation commission and provides financial information for the public.

FUND PAGE

The Fund Page serves as a financial statement for each fund showing unencumbered cash balance January 1 or July 1, receipts, expenditures, and the unencumbered cash balance December 31 or June 30. A fund is considered an independent fiscal and accounting entity under governmental accounting principles. Prepare a separate Fund Page for each fund that is maintained in the accounting records.

Normally the Fund Pages are completed in three stages. In stage 1, complete Prior Year Actual column for all Fund Pages. In stage 2, complete Current Year Estimate column for all Fund Pages. In stage 3, complete the Proposed Budget Year column for all Fund Pages

State of Kansas
Recreation Commission
2007

FUND PAGE
(Use one form for each recreation commission fund)

Adopted Budget _____ Fund	Prior Year Actual _____	Current Year Estimate _____	Proposed Budget Year _____
Unencumbered Cash Balance, *			
Receipts:			
Interest on Idle Funds			
Total Receipts			
Resources Available			
Expenditures:			
Total Expenditures			
Unencumbered Cash Balance, **			

* Unencumbered Cash Balance January 1 or July 1. If the budget year is a calendar year, use January 1, if the budget year is July 1 to June 30, use July 1.

** Unencumbered Cash Balance December 31 or June 30. If the budget year is a calendar year, use December 31, if the budget year is July 1 to June 30, use June 30.

Stage 1 - Complete the Prior Year Actual Column of Fund Page for All Funds

The Prior Year Actual column in each Fund Page is a fund's financial statement for the prior year. This column will contain information for the 2004-2005 year using a July 1 to June 30 budget year or 2005 calendar year for all others. The following items of information are needed for the Fund Page: unencumbered cash balance January 1 or July 1; cash receipts; expenditures; and unencumbered cash balance December 31 or June 30. Each of these items is discussed later.

Step 1. Enter the name of the fund in _____ Fund field.

Step 2. Enter Unencumbered Cash Balance January 1 or July 1. This is the beginning cash balance as shown in the accounting records for the fund less encumbrances and accounts payable outstanding.

Note: Unencumbered Cash Balance January 1 or July 1, in Prior Year Actual column should agree with Beginning Balance in Current Year Estimate column on the fund page in the current year budget. If there is a difference, determine why the balance has changed.

Step 3. Enter cash receipt amounts by type of receipt. Generally, cash receipts should be categorized into the same classifications that appear in the budget document that was prepared in the previous year. The individual amounts are obtained from the accounting records by using a budget worksheet, computer printout, or annual audit report. See Appendix B for a sample Budget Worksheet.

Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total receipts.

Step 4. Calculate and enter Total Receipts. This is the sum of all receipt amounts.

Note: Do not include Unencumbered Cash Balance January 1 or July 1, in Total Receipts.

Step 5. Calculate and enter Resources Available. This is the sum of Total Receipts and Unencumbered Cash Balance January 1 or July 1.

Step 6. Enter the expenditure categories and amounts. Generally, expenditures should be categorized into the same classifications that appear in the budget document that was prepared in the previous year. The amounts are derived from the accounting records by using a budget worksheet, computer printout, or annual audit report. See Appendix B for a sample Budget Worksheet.

Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total expenditures.

Step 7. Calculate and enter Total Expenditures. This is the sum of all expenditure amounts.

Step 8. Calculate and enter Unencumbered Cash Balance December 31 or June 30. This is computed by subtracting Total Expenditures from Resources Available. Compare the computed balance to the cash balance in the accounting records to determine that the balance is correct. The balance should equal the cash balance less encumbrances and accounts payable.

Fund Page after Stage 1

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Adopted Budget

<u>General</u> Fund	Prior Year Actual 2004-2005	Current Year Estimate 2005-2006	Proposed Budget Estimate 2006-2007
Unencumbered Cash Balance July 1*	36,756		
Receipts:			
Appropriation from USD	139,228		
Fees	45,109		
Interest on Idle Funds	784		
Total Receipts	185,121		
Resources Available	221,877		
Expenditures:			
Salaries	95,300		
Plant Operation	7,132		
Supplies	3,994		
General & Administration	5,322		
Capital Improvements	6,033		
Recreation Activities	79,922		
Miscellaneous	4,243		
Total Expenditures	177,814		
Unencumbered Cash Balance June 30	44,063		

* Our example will use a recreation commission with a July 1 to June 30 budget year.

Stage 2 - Complete the Current Year Estimate Column of Fund Page for All Funds

The same type of information entered in Prior Year Actual column of the Fund Page must also be entered for the Current Year Estimate column. If the budget year is a calendar year, Prior Year Actual column contains *actual* information for the *prior* year budget (2005), the Current Year Estimate column contains *estimated* receipts and expenditures for the *current* calendar year budget (2006). If the budget year is July 1 to June 30, enter the actual amounts for the 2005-2006 year or the best estimate if actual amounts are not available in the Current Year Estimate column. If actual amounts are used, follow steps 3 to 7 of Stage 1 instructions.

- Step 1. Enter Unencumbered Cash Balance January 1 or July 1. This is the beginning cash balance as shown in the accounting records for the fund less encumbrances and accounts payable outstanding.

Note: Unencumbered Cash Balance January 1 or July 1, for Current Year Estimate column must be the same as Unencumbered Cash Balance December 31 or June 30, from the Prior Year Actual column.

- Step 2. Calculate and enter the receipt amounts. Normally, the receipts for the current year estimate column will come directly from the budget prepared the prior year. Use the related fund page from the budget prepared the prior year and copy amounts directly from the proposed budget estimate column. However, review amounts to determine if the estimate needs to be changed based on actual receipts received in the current year. If a better estimate is available, use it.

Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total receipts.

- Step 3. Calculate and enter Total Receipts. This is the sum of all receipt amounts.

Note: Do not include the Unencumbered Cash Balance January 1 or July 1, in the total receipts.

- Step 4. Calculate and enter Resources Available. This is the sum of Total Receipts and Unencumbered Cash Balance January 1 or July 1.

- Step 5. Enter the expenditure amounts. Normally, the expenditures for the current year estimate column will come directly from the budget prepared the prior year. Use the related fund page from the budget prepared the prior year and copy amounts directly from the proposed budget estimate column. However, you can revise the estimates as long as the total expenditures for the fund do not exceed the amount originally published in the prior year or the resources available, whichever is less. Expenditures may exceed the amount originally published only if the budget of that fund is amended.

Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total expenditures.

Step 6. Calculate and enter Total Expenditures. This is the total of all expenditure amounts.

Step 7. Calculate and enter Unencumbered Cash Balance December 31 or June 30. This is computed by subtracting Total Expenditures from Resources Available. A negative Unencumbered Cash Balance December 31 or June 30, is not allowed; decrease expenditures to eliminate any negative amount. (K.S.A. 79-2927)

Fund Page after Stage 2

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Adopted Budget

<u>General</u> Fund	Prior Year Actual 2004-2005	Current Year Estimate 2005-2006	Proposed Budget Estimate 2006-2007
Unencumbered Cash Balance July 1 *	36,756	44,063	
Receipts:			
Appropriation from USD	139,228	137,131	
Fees	45,109	50,292	
Interest on Idle Funds	784	925	
Total Receipts	185,121	188,348	
Resources Available	221,877	232,411	
Expenditures:			
Salaries	95,300	97,268	
Plant Operation	7,132	7,226	
Supplies	3,994	3,949	
General & Administration	5,322	5,284	
Capital Improvements	6,033	5,226	
Recreation Activities	79,922	62,278	
Miscellaneous	4,243	4,279	
Total Expenditures	177,814	185,510	
Unencumbered Cash Balance June 30	44,063	46,901	

* Our example will use a recreation commission with a July 1 to June 30 budget year.

Stage 3 - Complete Proposed Budget Estimate Column of Fund Page for All Funds

The same type of information entered in the Prior Year Actual and Current Year Estimate columns of the fund pages must also be entered for the Proposed Budget Estimate column. The amounts entered in this column represent *proposed* receipt and expenditure amounts for the *Proposed Budget Year*.

- Step 1. Enter Unencumbered Cash Balance January 1 or July 1. This is the beginning cash balance as shown in the accounting records for the fund less encumbrances and accounts payable outstanding.

Note: Copy Unencumbered Cash Balance December 31 or June 30, from the Current Year Estimate 2006 column.

- Step 2. Enter Cash Receipt Estimates. The receipt estimates should be based on the prior year's actual and the current year estimates with adjustments for any known changes.

Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total receipts.

- Step 3. Calculate and enter Total Receipts. This is the sum of all receipt amounts.

Note: Do not include Unencumbered Cash Balance January 1 or July 1, in Total Receipts.

- Step 4. Calculate and enter Resources Available. This is the sum of Total Receipts and Unencumbered Cash Balance January 1 or July 1.

- Step 5. Enter Proposed Expenditure amounts. The expenditure estimates should be based on the prior years actual and the current year estimates with adjustments for any known changes.

Note: K.S.A. 79-2927 limits any miscellaneous category to ten percent of total expenditures.

- Step 6. Calculate and enter Total Expenditures. This is the sum of all expenditure amounts.

- Step 7. Calculate and enter Unencumbered Cash Balance December 31 or June 30. This is computed by subtracting the Total Expenditures from Resources Available. There is no limit on the ending balance. However, it is usually a good idea to budget most of the resources available. If expenditures exceed the budgeted amount, a budget amendment will be necessary to increase the expenditure limits.

A negative Unencumbered Cash Balance December 31 or June 30, is not allowed; decrease expenditures to eliminate any negative amount. (K.S.A. 79-2927)

Completed Fund Page

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Adopted Budget

<u>General</u> Fund	Prior Year Actual 2004-2005	Current Year Estimate 2005-2006	Proposed Budget Estimate 2006-2007
Unencumbered Cash Balance July 1 *	36,756	44,063	46,901
Receipts:			
Appropriation from USD	139,228	137,131	144,100
Fees	45,109	50,292	40,000
Interest on Idle Funds	784	925	
Total Receipts	185,121	188,348	184,100
Resources Available	221,877	232,411	231,001
Expenditures:			
Salaries	95,300	97,268	100,186
Plant Operation	7,132	7,226	12,500
Supplies	3,994	3,949	3,500
General & Administration	5,322	5,284	8,300
Capital Improvements	6,033	5,226	10,000
Recreation Activities	79,922	62,278	66,200
Miscellaneous	4,243	4,279	5,314
Total Expenditures	177,814	185,510	206,000
Unencumbered Cash Balance June 30	44,063	46,901	25,001

* Our example will use a recreation commission with a July 1 to June 30 budget year.

STATEMENT OF CONDITIONAL LEASE-PURCHASE AND CERTIFICATE OF PARTICIPATION*

Item Purchased	Contract Date	Term of Contract (Months)	Interest Rate %	Total Outright Purchase Price	Other Charges In Contract	Total Amount Financed (Beginning Principal)	Principal Balance At Beginning of Year	Payments Due 2005-2006	Payments Due 2006-2007

*If you are merely leasing/renting with no intent to purchase, do not list--such transactions are not lease-purchases.

Statement of Conditional Lease-Purchase and Certificate of Participation is used to show all lease-purchase transactions. These must be lease-purchase transactions that are installment purchases where ownership will transfer to the recreation commission. Transactions where there is no intent to purchase should not be shown. (K.S.A. 10-1116b)

The information required in all steps is in the current year budget or the lease-purchase contract(s).

- Step 1. Enter the name of the property in Item Purchased. List the name in general terms such as copier, computer, etc.
- Step 2. Enter Contract Date. This is the date that the contract was executed.
- Step 3. Enter Term of Contract (Months). This is the length of the contract stated in months.
- Step 4. Enter Interest Rate %. This is effective interest rate.
- Step 5. Enter Total Outright Purchase Price. This is the amount quoted as the cash cost.
- Step 6. Enter Other Charges in Contract. Any charges covered by the lease-purchase payments that are in addition to the purchase price should be included. Many times a copier will have a maintenance agreement included in the lease payments.
- Step 7. Enter Total Amount Financed (Beginning Principal). This is the total amount of the lease purchase.
- Step 8. Enter the Principal Balance at Beginning of Year (1/1/2006 or 7/1/2005) the amount outstanding as of the beginning the current year. This is the principal balance shown on the amortization schedule.
- Step 9. Enter the Payments Due in the budget year beginning January 2006 or July 2005 and Payments Due in the budget year beginning January 2007 or July 2006. This is the sum of the monthly, quarterly, or semi-annual payments.
- Step 10. Calculate and enter the total for the following columns: Principal Balance Due, Payments Due in 2006 or 2005-2006 (budget year beginning January 2006 or July 2005) and Payments Due in 2007 or 2006-2007 (budget year beginning January 2007 or July 2006).

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Statement of Conditional Lease-Purchase and Certificate of Participation *

Item Purchased	Contract Date	Term of Contract (Months)	Interest Rate %	Total Outright Purchase Price	Other Charges in Contract	Total Amount Financed (Beginning Principal)	Principal Balance At Beginning of Year	Payments Due 2005-2006	Payments Due 2006-2007
Copier	11-30-99	36	15.1	5,775	1,356	5,450	1,758	2,024	
Tractor	9/28/00	36	5.35	5,000		50,000	50,000	24,345	22,594
Phone System	6/19/00	36	8	96,922		96,922	62,220	34,772	34,772
Totals						152,372	113,978	61,141	57,366

*If you are merely leasing/renting with no intent to purchase, do not list--such transactions are not lease-purchases.

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NOTICE OF BUDGET HEARING

The governing body of _____ Recreation Commission will meet on the _____ day of _____, 2006 at _____ .M., at _____ for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds.

Detailed budget information is available at _____ and will be available at this hearing.

BUDGET SUMMARY OF EXPENDITURES

Fund	Prior Actual Year _____	Current Year Estimate _____	Proposed Budget Year _____
General			
Totals			
Calendar Year Budgets or Fiscal Year Budgets	January 1, 2004 OR July 1, 2000	January 1, 2005 OR July 1, 2004	January 1, 2006 OR July 1, 2005
Lease Purchase Principal Balance			

Recreation Commission Secretary

Notice of Budget Hearing and Budget Summary of Expenditures is the form published in the paper. This form must be correct and published at least ten days before the hearing. The expenditures and the amounts of tax to be levied for the proposed budget year set the limits. *Certified amounts cannot exceed the published amounts in any fund.*

- Step 1. Enter the name of the funds.
- Step 2. Enter in the blanks at the top of the form the name of the recreation commission, the time, date, and location of hearing, and where the budget will be available prior to the hearing.
- Step 3. Enter the following from the Fund Pages: Budget Summary of Expenditures for Prior Year Actual (2005 or 2004-2005), Current Year Estimate (2006 or 2005-2006), and Proposed Budget Year (2007 or 2006-2007).
- Step 4. Enter the Lease Purchase Principal Balance for the Prior Year Actual and Current Year Estimated columns. Copy the balance outstanding to the Prior Year Actual (2005 or 2004-2005) and Current Year Estimated (2006 or 2005-2006) columns from the current year budget Notice of Budget Hearing.
- Step 5. Enter the Lease Purchase Principal Balance on 1-1-2006 or 7-1-2005 in the Proposed Budget Year column from the Statement of Conditional Lease-Purchase and Certificate of Participation.
- Step 6. Verify that the budget summary is correct. Compare the amounts to the budget summary in the current year budget and double check all information.
- Step 7. Sign the form and arrange for publication.
- Step 8. Once published, ensure the information is correct.

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Notice of Budget Hearing

The governing body of Example Recreation Commission will meet on the 20th day of July, 2006 at 7 P.M., at City Hall for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds.

Detailed budget information is available at City Hall and will be available at this hearing.

Budget Summary of Expenditures

The Proposed Budget Expenditures (below) establishes the maximum expenditure limit for the budget year.

Fund	Prior Year Actual 2004-2005		Current Year Estimate 2005-2006		Proposed Budget Year 2006-2007
General	177,816		185,510		206,000
Employee Benefit	33,257		41,620		42,425
Totals	211,073		227,130		248,425

<u>Fiscal Year Budgets</u>	<u>July 1, 2000</u>		<u>July 1, 2004</u>		<u>July 1, 2005</u>
Lease Purchase Principal					113,978

Clerk

State of Kansas
Recreation Commission
2007

CERTIFICATE

To the Clerk of _____
We, the undersigned officers of _____

certify that: (1) the hearing mentioned in the attached publication was held; (2) after the Budget Hearing this budget was approved and adopted as the maximum expenditure for the various funds for the Proposed Budget Year.

Table of Contents:		Year _____
Adopted Budget	Page No.	Adopted Budget of Expenditures for the Proposed Budget Year
General Fund	2	
TOTAL		
Publication		

State Use Only Received _____ Reviewed By _____ Follow-up Yes ____ No ____

Assisted by:

_____	_____
_____	_____
_____	_____

Governing Body

***FILING REQUIREMENT** - A complete copy of this budget (including the publication) must be filed with the City/USD Clerk and two copies with the County Clerk (K.S.A. 12-1927).*

PERMANENT Recreation Commission Address

Sponsoring USD/City Address

Certificate is the form that certifies to the City or USD Clerk and County Clerk that this is the adopted budget. The Certificate must be signed by some of the governing body members.

- Step 1. Enter the name of the recreation commission and the City or USD that levies the tax on the lines provided.
- Step 2. List the fund names in the same order as on the Budget Summary.
- Step 3. Enter a page number for each of the funds and the Budget Summary. Also enter the page number on the fund pages.
- Step 4. Enter Total Expenditures for the Proposed Budget (2007 or 2006-2007) column for each of the funds from the fund pages.
- Step 5. Compute and enter total for the Expenditures column. This is the sum of the amounts for the funds. Compare the Totals with the Budget Summary totals.
The fund expenditure amounts on this form can never exceed the amounts published.
- Step 6. Enter the addresses on the forms. The first address should be the permanent address for the recreation commission. Jointly sponsored recreation commissions should show the addresses of both sponsors.
- Step 7. After the budget is adopted, the governing body signs the Certificate form.

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Certificate

To The Clerk of Example USD

We, the undersigned, duly elected, qualified and acting officers of
Example USD Recreation Commission

certify that: (1) the hearing mentioned in the attached publication was held; (2) after the Budget Hearing this budget was approved and adopted as the maximum expenditure for the various funds for the Proposed Budget Year.

Table of Contents:

Adopted Budget:	Page No.	Year 2006-2007 Adopted Budget of Expenditures for the Proposed Budget Year
Fund		
General Fund	2	206,000
Employee Benefit & Spec Liability Fund	3	42,425
Total		248,425
Publication	4	

State Use Only

Received _____

Reviewed By _____

Follow-up Yes ____ No ____

Assisted by:

Governing Body

***FILING REQUIREMENT** - A complete copy of this budget (including the publication) must be filed with the City/USD Clerk and two copies with the County Clerk (K.S.A. 12-1927).*

PERMANENT Recreation Commission Address

Sponsoring USD/City Address

Chapter 3: ADOPTION OF BUDGET

Adoption of the proposed budget by the governing body establishes the maximum expenditure limit for the next year. This is the final step in the review of the budget proposals by the governing body and the budget preparer. The steps leading to the budget adoption may include informal briefings, formal presentations, and adoption of the budget.

Informal Briefings

The governing body is usually briefed about various issues prior to the formal presentation. These may take the form of work sessions, written questions about the proposed budget, and meetings with the budget preparer.

Formal Presentation

The legal requirement is that one formal public hearing be held. The hearing is scheduled at the time the Budget Summary is published. The hearing can be a regular meeting of the governing body with time set aside to specifically discuss the proposed budget. The hearing can also be a special meeting scheduled specifically for the purpose of discussing the proposed budget.

- Step 1. A formal budget presentation by the budget preparer to explain the overall budget and addresses any major changes from the current year budget.
- Step 2. Time for input from the community so that any concerns will be understood. There is no requirement that the budget document be changed as a result of input from the community.

Adoption of the Budget

- Step 3. The governing body should adopt the budget or table adoption until a later date after the formal budget hearing is closed. Changes to the budget are permitted but the proposed expenditure for the budget year cannot be increased, unless the budget summary is republished and another hearing is held. The necessary changes should be made to the budget document if reductions are made. This may take some time so adoption may be tabled until a later date.
- Step 4. All governing body members present at the adoption of the budget should sign the Certificate page. This certifies to the City or USD and county clerk that this is the official budget as adopted.

Filing of the Budget

- Step 5. A minimum of three complete copies of the budget should be made. The copies and originals should be assembled in page number order with the published budget summary as the last page.

Note: Do not include blank forms or instruction pages.

- Step 6. One copy is filed with the City or USD Clerk that levies the tax by August 1.
- Step 7. Two copies with publication attached are filed with the County Clerk by August 1. One copy is retained in the County Clerk's office and the county clerk sends the other copy to A & R.
- Step 8. The original copy is filed in the official budget file of the recreation commission.

Chapter 4: AMENDING THE BUDGET

Municipalities are authorized by K.S.A. 79-2929a to amend budgets in order to spend money that was not included in the original budget. If the actual unencumbered cash balance January 1 or July 1, is greater than anticipated in the budget, the budget can be amended to allow the excess unencumbered cash balance at the beginning of the year to be used to finance operations. A budget amendment is not required if the receipt results from a source exempt by statute from the budget law, such as a state or federal grant.

The amending process must be completed and submitted on or before the Dec 31 of the budgeted year.

Amendment Procedures

Preparation of the Budget Forms

- Step 1. Prepare a Fund Page showing two columns, Adopted Budget and Proposed Amendment, for each fund that is being amended. See Chapter 2 concerning preparation of the Fund Page.
- Step 2. Obtain a copy of the amendment form from the City or USD that levies the tax. Complete the blanks in the Notice of Budget Hearing section. The wording may be changed to include an explanation of why an amendment is required. List the funds being amended and enter the fund's adopted budget total under the heading Adopted Budget and the fund's proposed amendment total under Proposed Amendment.
- Step 3. The Clerk must sign and publish the Notice of Budget Hearing Amending the _____ (year) Budget at least ten days before the budget hearing.
- Step 4. Prepare a Certificate clearly marking the form Amendment. Show only the funds being amended. Enter the Proposed Amendment total.

Adoption and Filing of Amendment

- Step 1. Hold the hearing on amending the budget as scheduled in the publication (must be on or before the Dec 31 of the budgeted year). Be prepared to explain why the amendment is required. The budget hearing can be at a regular meeting of the governing body.
- Step 2. If the amendment is adopted, the governing body members who are present should sign the Certificate but the Certificate must be signed by at least one member of the governing body and on or before the Dec 31 of the budgeted year.

Step 3. File one copy with the City or USD that makes the tax levy and expedite two copies of the following forms with the County Clerk:

Certificate signed by at least one member of the governing body.

Individual Fund Page for each fund being amended.

Notice of Budget Hearing copy from the newspaper with a proof of publication or newspaper clipping with shows the date of publication.

Step 4. County Clerk retains one copy and expedites the other copy to A & R.

Amending the Tax Levy Fund Page

State of Kansas
Recreation Commission
2007

Adopted Budget

<u>General</u> Fund	Adopted Budget 2006-2007	Proposed Amendment 2006-2007
Unencumbered Cash Balance July 1	46,901	55,123
Receipts:		
Appropriation from USD	144,100	144,100
Fees	40,000	60,000
Interest on Idle Funds		1,000
Total Receipts	184,100	204,100
Resources Available	231,001	259,223
Expenditures:		
Salaries	100,186	100,186
Plant Operation	12,500	12,500
Supplies	3,500	3,500
General & Administration	8,300	8,300
Capital Improvements	10,000	30,000
Recreation Activities	66,200	76,200
Miscellaneous	5,314	5,314
Total Expenditures	206,000	236,000
Unencumbered Cash Balance June 30	25,001	23,223

State of Kansas
Recreation Commission
2007

**Notice of Budget Hearing
Amending the 2006-2007 Budget**

The governing body of Example Recreation Commission will meet on the 10th day of November, 2006 at 7 P.M., at Example City Hall for the purpose of hearing and answering taxpayer objections or questions relating to the proposed amended use of funds. The proposed amendment is the result of the carryover balance being greater than anticipated and the funds are needed for increased health insurance costs.

Detailed budget information is available at Example City Hall and will be available at the hearing.

Fund	2006-2007 Adopted Budget	2006-2007 Proposed Amendment
General	206,000	236,000

Joe Smith, Recreation Commission Clerk

**AMENDMENT
Certificate**

State of Kansas
Recreation Commission
2007

The Clerk of Example County, State of Kansas
We, the undersigned, duly elected, qualified and acting officers of
Example Recreation Commission

certify that: (1) the hearing mentioned in the attached publication was held; (2) after the Budget Hearing the budget was duly approved and adopted as the maximum expenditure for the various funds for the year 2006-2007.

		2006-2007 Proposed Amendment
Table of Contents:	Page No.	
Employee Benefit	2	236,000

State Use Only

Received _____

Reviewed By _____

Follow-up Yes ___ No ___

Assisted by:

Governing Body

APPENDIX A

PROCEDURE FOR INCREASING A RECREATION COMMISSION LEVY

The following two-step approach for increasing a recreation commission's levy is required:

1. The recreation commission must pass a resolution requesting an increase in the mill levy rate by the City or USD that makes the levy. The resolution should be acted upon and included in the minutes of the recreation commission. The resolution is delivered to the City or USD and does not need to be published. See enclosed Example RC 1.
2. The City or USD must adopt a resolution allowing the recreation commission to increase its mill levy. There is no longer a maximum increase per year. There is no four mill maximum levy for the general fund. See enclosed Example RC 2.

These sample resolutions have been developed in consultation with the Department of Administration legal staff and the language of the examples may need to be modified to fit the situation. They should be retyped to produce a clean copy after changes are made. The information at the top of the examples should not be reproduced in the resolutions; the information is for identification purposes.

Example Resolution For Recreation Commission
Request for Increase in mill levy

Cut off top

RESOLUTION NO. _____

WHEREAS, the _____ Recreation Commission has been operating a public recreation system under the provisions of Article 19 of Chapter 12 of the Kansas Statutes Annotated, and the (City of _____) (Unified School District No. _____) is currently authorized to levy a property tax of not to exceed ____ mills for the use of the Recreation Commission; and

WHEREAS, the Recreation Commission has determined that the maximum authorized property tax currently being levied for the use of the Commission is insufficient to operate the recreation system, and the Commission determines that an increase in the levy is necessary;

BE IT RESOLVED, by the _____ Recreation Commission, that the Commission hereby requests that the maximum mill levy be increased to _____ mills, and that the Commission requests the (City of _____) (Unified School District No. _____) to authorize such an increase, in accordance with K.S.A. 12-1927 and amendments thereto.

Example City Or Unified School District Resolution
Increase in mill levy for recreation commission

Cut off top section before publishing

RESOLUTION NO. _____

WHEREAS, the _____ Recreation Commission has adopted a resolution declaring it necessary to increase the annual property tax levy for the use of such Commission to operate a public recreation system and has requested the (City) (School District) to authorize a maximum mill levy of not to exceed _____ mills; and

WHEREAS, the provisions of K.S.A. 12-1927 and amendments thereto, to provide for such an increase, subject to a petition of the voters for a referendum thereon;

BE IT RESOLVED, by the (Governing Body of the City of _____) (Board of Education of Unified School District No. _____) that the _____ Recreation Commission be authorized to levy a tax of not to exceed _____ mills, in the year _____ and thereafter, subject to such petition and referendum requirement.

BE IT FURTHER RESOLVED, that this resolution shall be published once each week for two consecutive weeks in the official (city) (school district) newspaper and that an amount not exceeding said maximum mill levy may be levied by the Recreation Commission unless a petition requesting an election upon the proposition, signed by at least five percent of the qualified voters of the (city) (school district), shall be filed with the county election officer within 30 days following the date of the last publication of this resolution.

PASSED, by the (Governing Body of the City of _____) (Board of Education of Unified School District No. _____), on this _____ day of _____, 2006

APPENDIX B BUDGET WORKSHEET

Description	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Unencumbered Cash Balance *													
Receipts:													
Total Receipts													
Resources Available													
Expenditures:													
Total Expenditures													
Unencumbered Cash Balance **													

* Unencumbered Cash Balance January 1 or July 1. If the budget year is a calendar year, use January 1, if the budget year is July 1 to June 30, use July 1.

** Unencumbered Cash Balance December 31 or June 30. If the budget year is a calendar year, use December 31, if the budget year is July 1 to June 30, use June 30.

GLOSSARY

Ad Valorem Tax Levy - A tax based on the value of property (property tax), usually expressed in mills.

Amortization Schedule - A schedule of debt service payments that identifies the principal and interest.

Budget - A plan of financial operation including an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budget Amendment - A formal change to the budget during the year to increase expenditure limits.

Budgeted Fund - A fund required by statute to be budgeted. Expenditures in all three columns are required.

Budget Hearing - The formal hearing for the budget to be presented to the governing body for adoption and approval.

Budget Law - A series of the statutes, K.S.A. 79-2925 to 79-2937, which include specific requirements for preparing the budget document. The budget sets a limit on expenditures.

Cash Basis Law - A statute, K.S.A. 10-1116, which requires that cash be on hand before incurring an obligation. Most municipal funds fall under the cash basis law.

Certificate of Participation - A contractual financing agreement that entitles one party to use property for a specific period of time, but also results in a purchase of the property involved.

Charter Ordinance. The document used by cities to exempt from a non-uniform state statute using constitutional home rule.

Charter Resolution. The document used by USD's to exempt from a non-uniform state statute using statutory home rule.

Conditional Lease - A contractual agreement which entitles one party the right to use property for a specific period of time.

Current Year - The fiscal and budget year that applies to present time.

Debt - An obligation resulting from borrowing money or purchasing goods and services. Includes general obligation bonds, revenue bonds, no fund warrants, temporary notes, and State revolving loans as well as purchase orders and encumbrances.

Delinquent Taxes - Taxes unpaid on and after the date when the penalty for non-payment starts. These balances are delinquent until abated, canceled, paid, or converted into tax liens.

GLOSSARY

Employee Benefits - These are benefits provided for employees. Benefits exempt from the tax lid include social security, medicare tax, retirement, health insurance, unemployment compensation, and workman's compensation. Other benefits provided to employees are not exempt from the tax lid.

Encumbrance - Commitment related to unperformed or performed contracts for goods or services but for which payment has not been made.

Expenditures – The total of cash payments plus any encumbrances for budgetary purposes. Expenditures cannot exceed the published budget. Note: For accounting purposes, any decrease in net financial resources is considered an expenditure.

Fund - An independent fiscal and accounting entity including all cash with related liabilities or obligations.

Fund Levy Limit - A rate levy limit on the amount of taxes that can be levied for a specific fund. The limit is set by resolution.

Lease Purchase - Installment purchases with periodic payments. The payments include both principal and interest.

Levy Limit - See fund levy limit

Local Alcoholic Liquor Tax - A ten percent tax on the sale of alcoholic liquor. In counties and cities over 6,000 population, the tax is allocated one third each to general, special parks and recreation, and special alcohol and drug programs funds. In cities under 6,000 population, the tax is allocated one-half to the general and one-half special parks and recreation funds.

Motor Vehicle Tax (MVT) – A tax on motor vehicles paid at the time of registration and based on the county-wide average tax from the previous years budgets. The 2006 tax levy rate is used for the year 2007 collections. In addition the county-wide average is adjusted for the USD general fund levy. The MVT is allocated to each tax levy fund on the basis of the levies in the previous year's budget.

Operating Lease - A lease agreement that does not include the provisions for purchase the leased property.

Prior Year - The fiscal and budget year that preceded the current year.

Proposed Budget Year - The year for which the budget is being adopted.

Purchase Order - A document authorizing the acquisition of specific goods or services.

Receipt - Any cash received.

GLOSSARY

Recreation Commission - An organization authorized to conduct recreation activities. An election is required to establish a recreation commission, K.S.A. 12-1925.

Recreational Vehicle Tax (RVT) - The recreational vehicle tax is based on the weight of the vehicles defined in statute as a recreational vehicle. RVT is allocated to each tax levy fund on the basis of the levies in the previous year's budget.

Reimbursed Expense - An expenditure made for another person or entity that is subsequently recovered in cash. The transaction must be completed within the same budget year.

Resources Available - The total cash available to fund the budget. Resources available include the unencumbered cash balance and all receipts that are anticipated for the period.

Unencumbered Cash Balance - The cash balance as shown in the accounting records for the fund less accounts payable or encumbrances.

Tax - Compulsory charge levied by a governmental unit for the purpose of financing services.